

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING     )  
OF JOHNSON COUNTY GAS COMPANY     )    CASE NO. 2011-00004

ORDER

On September 1, 1999, in Case No. 1999-00155, the Commission approved rates for Johnson County Gas Company, Inc. ("Johnson County") and provided for their further adjustment in accordance with Johnson County's Gas Cost Adjustment ("GCA") clause.<sup>1</sup>

On January 3, 2011, Johnson County filed an application to adjust its GCA rate. Johnson County requested that the Commission waive the 30-day notification period and allow the new rate to become effective on January 1, 2011. In the Commission's Order in Case No. 2010-00010,<sup>2</sup> Johnson County was ordered to provide an identification of its gas suppliers with this application. Schedule II of Johnson County's application identifies Bradco and Equitable Energy as suppliers; but 65 percent of its gas supply is priced at the average of the New York Mercantile Exchange settlement prices for February, March, and April 2010, and no supplier is identified for those volumes. On January 13, 2011, the Commission issued its Order denying Johnson

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<sup>1</sup> Case No. 1999-00155, Application of Johnson County Gas Company, Inc. for a Rate Adjustment Pursuant to the Alternative Rate Filing Procedure for Small Utilities (Ky. PSC Sept. 1, 1999).

<sup>2</sup> Case No. 2010-00010, Purchased Gas Adjustment Filing of Johnson County Gas Company (Ky. PSC Sept. 17, 2010).

County's requested waiver of the 30-day notification period, suspending the proposed rates up to and including July 1, 2011, and directing Johnson County to respond to information requests pertaining to its proposed Expected Gas Cost and Actual Adjustment on or before January 26, 2011. As of the date of this Order, Johnson County has not filed the required responses and has not requested an extension of time.

The Commission finds that the documents supplied with the January 3, 2011 application do not provide sufficient information to allow us to determine that Johnson County's proposed rates will result in reasonable rates to its customers and that its proposed rates should therefore be denied. The Commission further finds that Johnson County should file its next GCA for rates effective October 1, 2011 no later than September 2, 2011, in accordance with its tariff. Johnson County should include in such filing all the information requested in this proceeding, which is set out in the Appendix to this Order. That filing should also include, in compliance with its tariff, expected supplier gas cost for the months of October, November and December 2011, as well as Actual Adjustment calculations for the period October 2009 through June 2011.

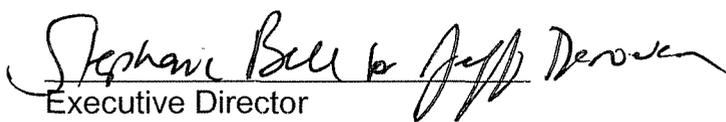
IT IS HEREBY ORDERED that:

1. The rates proposed by Johnson County are denied.
2. Johnson County shall timely file its next GCA application no later than September 2, 2011 for an effective date of October 1, 2011 and shall include with its application the information required in the Appendix to this Order.

By the Commission

ENTERED   
JUN 17 2011  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

Case No. 2011-00004

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2011-00004 DATED **JUN 17 2011**

1. Provide copies of all gas supplier invoices for each month of 2009, 2010, and January through June 2011.
2. Provide proof of payment for each gas supplier invoice for each month of 2009, 2010, and January through June 2011.
3. Provide the identity of the source of supply for the 10,720 Mcf shown on Schedule II of the application in Case No. 2010-00010.
4. Explain why Constellation Energy is no longer listed as a gas supplier on Schedule II of the application in Case No. 2010-00010.
5. The October 19, 2010 invoice from Bradco Oil Company shows an arrearage from past invoices of \$31,165.50. Explain how this arrearage occurred, if Johnson County is now current with Bradco Oil Company and, if not, the amount of the current arrearage and when Johnson County plans to pay this amount.
6. Provide Mcf sales and Mcf purchases, by supplier, for each month of 2009, 2010, and January 2011 through June 2011.
7. Johnson County's 2009 Annual Report shows "TECO Pool" as one of its three gas suppliers, with an associated gas cost of \$64,371. Explain whether and to whom this amount was paid.

Bud Rife  
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